

WAXMAN
AMENDMENT OFFERED BY MR. [REDACTED]
TO THE MEDICAID RECONCILIATION PROVISIONS

(Page & line nos. refer to Committee Print of 6/11/97,
MEDICAID.007)

Add at the end the following new section:

1 SEC. 3472. PROTECTING DSH PAYMENTS FOR THE HIGHEST
2 VOLUME SAFETY NET HOSPITALS.

3 (a) ASSURING PRIORITY DSH PAYMENTS.—Section
4 1923 (42 U.S.C. 1396r-4) is amended—

5 (1) in subsection (a)—

6 (A) by redesignating paragraphs (3) and
7 (4) as paragraphs (4) and (5), and

8 (B) by inserting after paragraph (2) the
9 following new paragraph:

10 “(3) In order to be considered to have met such
11 requirement of section 1902(a)(13)(A) as of October
12 1, 1998, the State must submit to the Secretary by
13 not later than July 1, 1998, a State plan amend-
14 ment that assures that aggregate payment adjust-
15 ment levels for certain hospitals under this section
16 are consistent with the requirement of subsection
17 (h), effective for inpatient hospital services furnished
18 on or after October 1, 1998. The previous sentence
19 shall not apply to a State with a State plan as de-
20 scribed in subsection (e)(1)(A)(i).”; and

1 (2) by adding at the end the following:

2 “(h) ASSURING PRIORITY DSH PAYMENTS.—

3 “(1) IN GENERAL.—The assurances under this
4 subsection are that the aggregate level of payment
5 adjustments under this section with respect to prior-
6 ity DSH hospitals for a fiscal year (beginning with
7 fiscal year 1999) is not less than the minimum level
8 specified in paragraph (3) for the fiscal year. The
9 Secretary shall reduce Federal financial participa-
10 tion under section 1903(a) by \$1 for each \$1 by
11 which a State fails to provide for payment adjust-
12 ments in accordance with this subsection.

13 “(2) PRIORITY DSH HOSPITAL DEFINED.—For
14 purposes of this subsection, the term ‘priority DSH
15 hospital’ means a hospital that meets the require-
16 ments of subsection (d) to be a disproportionate
17 share hospital and that—

18 “(A) in the case of a hospital that is not
19 described in subsection (d)(2)(A)(i), is not an
20 institution for mental diseases defined under
21 section 1905(i) and has a low-income utilization
22 rate (as defined in subsection (b)(3)) that ei-
23 ther—

24 “(i) exceeds 30 percent, or

1 “(ii) is at least 2 standard deviations
2 above the mean low-income utilization rate
3 for hospitals receiving payments under this
4 title in the State; or

5 “(B) in the case of a hospital that is de-
6 scribed in subsection (d)(2)(A)(i), meets the re-
7 quirements of clause (i) or has a Medicaid inpa-
8 tient utilization rate (as defined in subsection
9 (b)(2)) that exceeds 20 percent.

10 “(3) MINIMUM PAYMENT LEVEL.—

11 “(A) FISCAL YEAR 1999.—Subject to sub-
12 paragraph (D), the minimum payment level for
13 a State for fiscal year 1999 under this para-
14 graph is equal to the aggregate amount of dis-
15 proportionate share payment adjustments made
16 pursuant to subsection (c) in fiscal year 1995
17 to priority DSH hospitals in the State.

18 “(B) SUBSEQUENT YEARS.—Subject to
19 subparagraph (D), the minimum payment level
20 for a State for a subsequent year under this
21 paragraph is equal to the aggregate amount of
22 disproportionate share payment adjustments
23 made pursuant to subsection (c) in the previous
24 fiscal year to priority DSH hospitals in the
25 State, increased by the medicaid growth rate

1 for the fiscal year involved (as determined
2 under subparagraph (C)).

3 “(C) MEDICAID GROWTH RATE.—For pur-
4 poses of this paragraph, the Medicaid growth
5 rate for a fiscal year for a State is the percent-
6 age by which the total amount of expenditures
7 under the State plan for medical assistance
8 under this title in a fiscal year exceeds such ex-
9 penditures in the previous fiscal year.

10 “(D) EXCEPTION.—In no case shall the
11 minimum payment level under this paragraph
12 for a State for a fiscal year exceed the DSH al-
13 lotment for the State for the fiscal year.